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SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
USCINCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

E.O. 12958: N/A
TAGS: [IS](#) [KMDR](#) [MEDIA](#) [REACTION](#) [REPORT](#)
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- [1](#). Mideast
- [2](#). Iran: Nuclear Program

Key stories in the media:

All media reported that five Palestinians -- senior Islamic Jihad commander Munir Abu Sukker and another militant of the group, two children, and another bystander -- were killed in an Israeli air strike in the Gaza Strip. In its lead story, Ha'aretz reported that Islamic Jihad vowed to fire Qassam rockets at downtown Ashkelon to avenge the IAF operation.

Israel Radio reported that Israel will reject any request by other countries to transfer money directly to the PA, but that it will act together with the U.S. and other international bodies in order to prevent a humanitarian disaster in the PA. The radio cited the GOI's belief that as early as next month, the PA will find it hard to pay salaries to 135,000 employees, half of whom are security personnel. Israel Radio quoted a high-ranking Israeli official as saying that as of now, the proposal that Israel stop collecting taxes and customs fees for the PA has been rejected for fear that this might intensify the disorder in the Gaza Strip. Ha'aretz and The Jerusalem Post quoted Benita Ferrero-Waldner, the EU's head of external relations, as saying on Monday in an interview with the Austrian daily Der Standard that it is important that Israel transfer to the PA money that actually belongs to the Palestinians. The Jerusalem Post cited a response to Ferrero-Waldner's remarks by a senior Israeli diplomatic official that Israel has "every legal, political, and moral right to withhold money from the PA treasury, now controlled by Hamas." The official was quoted as saying "there is no logic" to the argument that Israel needed to adhere to the Paris Protocols that govern economic ties between it and the PA at a time when the incoming PA leadership said that all signed agreements with Israel were null and void. The Jerusalem Post also quoted the official as saying that UN Security Council 1373 prohibited UN member states from offering direct or indirect aid to terrorist groups, something that would be the case were Israel to transfer the money. The Jerusalem Post also quoted a source who advises various European governments on Palestinian affairs as saying that Western countries currently engaged in "learning about Hamas" are holding indirect contacts with the organization through various academics and politicians close to Hamas, but who are not themselves members of Hamas. The Jerusalem Post quoted Senator Hillary Rodham Clinton as saying Sunday in New York, upon accepting an honorary degree from Bar-Ilan University, that Hamas must be isolated.

Maariv bannered a statement made earlier this week by a senior Israeli defense official in a discussion about the situation at Israel's northern border, that Hizbullah is attempting to abduct an IDF soldier before the Knesset elections in order to destabilize Israel and influence the result of the elections on behalf of

Iran.

Israel Radio and other media quoted Ali Larijani, the head of Iran's Supreme National Security Council, as saying that the US should not resort to military measures. The radio quoted Under Secretary of State for Political Affairs Nicholas Burns as saying earlier that it is doubtful whether a compromise will be reached with Iran in the International Atomic Energy Agency's (IAEA) debates and that he is hopeful that the IAEA's Board of Governors will agree to transfer the issue to the UN Security Council. Ha'aretz reported that IAEA-affiliated diplomats told the newspaper last night that Tehran and the EU appear poised to reach an agreement on Iran's nuclear program that would obviate the need for sanctions. Ha'aretz reported that a senior Israeli defense official was skeptical about the tentative agreement, saying that it appeared to be just another Iranian effort to buy time to advance its nuclear program. Major media also quoted IAEA DG Mohamed ElBaradei as saying Monday he is hopeful that a deal over Iran's nuclear program is still feasible.

All media reported (banner in The Jerusalem Post) that on Monday, the new Hamas-controlled Palestinian Legislative Council voted in favor of cutting the powers of PA Chairman [President] Mahmoud Abbas, triggering a confrontation with his Fatah party.

Leading media said that further revelations published by Channel 10-TV last night about former MK Omri Sharon's extensive appointments in the public service are harmful to Kadima's electoral campaign. Today, Israel Radio and the three television channels have begun broadcasting election campaign spots prepared by the parties.

Ha'aretz reported that an official statement submitted several days ago to the Jerusalem Magistrate's Court by Attorney Nira Mashriki of the Tel Aviv prosecutor's office for civil matters refer to HaMoked: Center for the Defense of the Individual and to B'Tselem - Israeli Information Center for Human Rights in the Occupied Territories as organizations that work for interests "that undermine the existence" of the State of Israel, "besmirch" the state and its security forces, and "cause it damage in the world." Ha'aretz reported that the Justice Ministry stated last night that the matter appears to demand inquiry, but that an official position on the matter will have to await input from the lawyer who dealt with the case. The newspaper quoted senior officials as saying off the record that the statement made by Attorney Mashriki was not approved by the attorney general and state prosecutor, and that it naturally does not reflect the establishment position on these organizations.

The Jerusalem Post reported that a number of Western countries, including Israel, are concerned about the position South Africa has taken regarding Iran's nuclear dossier. The newspaper quoted Western diplomatic officials as saying that South African President Thabo Mbeki's government has come under a degree of "cajoling" in recent weeks from the US and European countries to stop giving Tehran diplomatic cover to continue its nuclear program.

The Jerusalem Post reported that despite a promise to Washington last November to drop its economic boycott of Israel, Saudi Arabia plans to host a major international conference next week aimed at promoting a continued trade embargo on Israel.

Yediot reported that Israel has asked the U.S. to annul -- or at least to soften -- its travel warning to Israel regarding organized crime in the country. The newspaper also reported that the Israeli Embassy in Washington has received instructions to pass on similar messages at professional levels in the State Department. Yediot quoted Israeli diplomatic sources as saying on Monday that Israel has clarified to the US its belief that this is a "distortion" of the real image of criminality in Israel, which is relatively less prevalent than in most Western countries. Yediot further quoted the sources as saying that a probe made by the Foreign Ministry revealed that there is no precedent for the State Department's devoting a special clause to organized crime in its travel warnings, except in the cases of a few developing countries such as Nigeria and Colombia.

Ha'aretz quoted FM Tzipi Livni as saying Monday before the Knesset's Foreign Affairs and Relations Committee that there is no strategic crisis between Israel and Jordan. Livni denied Monday's Yediot report that relations between the two countries have been severed

almost completely. Ha'aretz also quoted Jordan's Charge d'Affaires in Israel Omar al-Nadif as denying Yediot's allegations.

Ha'aretz reported that Israeli politicians, primarily from Kadima and the Labor Party, intend to cut off at least eight Arab neighborhoods from Jerusalem and solidify the Jewish majority within the new limits. The newspaper lists various alternatives for the division of the city. Ha'aretz also reported that thousands of Palestinians who hold Israeli ID cards and who formerly lived in East Jerusalem have returned over the past year to live within the municipal boundaries of Jerusalem.

Ha'aretz reported that speakers at the annual conference of the American Israel Public Affairs Committee (AIPAC) "are focusing on the same topics that Acting PM Ehud Olmert defined as central to Israel's agenda: Hamas's rise to power in the PA and the threat inherent in the Iranian nuclear program." The Jerusalem Post reported that delegates of the AIPAC conference will depart today for Capitol Hill for more than 450 lobbying meetings with their members of Congress.

The Jerusalem Post reported that Slovenian President Janez Drnovsek, who is visiting Israel, expressed his empathy with Israel's "difficult road." Israel Radio and leading news web sites cited the Prisons Authority as saying this morning that Yigal Amir, the jailed assassin of the late PM Yitzhak Rabin, has been permitted to provide sperm samples for the artificial insemination of his wife Larissa Trimbovler.

Yediot devoted almost its entire front page to the extradition of underworld kingpin Zeev Rosenstein to the US.

Ha'aretz cited the results of a poll conducted by the Chaim Herzog Institute for Communications, Society, and Politics, which show that the media is widely perceived as sympathetic toward Kadima, but hostile toward the Likud and Shas. However, the public was split toward the Labor Party: some 32 percent of respondents said that the media was sympathetic toward Labor, while 22 percent said that it was hostile.

1. Mideast:

Summary:

Defense and foreign affairs columnist Amir Oren wrote in independent, left-leaning Ha'aretz: "At a congressional hearing last week, [US Security Coordinator Lt. Gen. Keith] Dayton essentially adopted the Israeli principle of security before peace."

Conservative Jerusalem affairs commentator Nadav Shragai wrote in Ha'aretz: "Why is [Olmert] not ... fighting to cement the Jewish hold on areas where the demographic battle is not lost -- even if this means facing off against the United States?"

Block Quotes:

I. "Security Before Peace"

Defense and foreign affairs columnist Amir Oren wrote in independent, left-leaning Ha'aretz (March 7): "At a congressional hearing last week, [US Security Coordinator Lt. Gen. Keith] Dayton essentially adopted the Israeli principle of security before peace -- in effect since September 2000 and the collapse of the Oslo process.... With chilling testimony, Dayton illustrated the chain of events that are distancing Palestine from peace with Israel and bringing war ever closer.... [According to him], there won't be U.S. involvement if Hamas is running the government in general, and the security mechanisms in particular. If there is no U.S. involvement, there won't be any money; and if there's no way to ensure that the money goes to the miserable rather than the dangerous, the distress and hostility will increase. Rejecting Hamas does not mean saluting Mahmoud Abbas. Dayton spoke with disappointment about Abbas' weakness even before the elections, noting that 'the lack of political will resulted in little progress in either security sector performance or reform'.... Dayton's message, like that of his counterparts in the IDF and Shin Bet security service, is bleak and tangible: Things will get bad or very bad -- and soon. The relatively small number of

lethal terror attacks is misleading. The terror organizations are not waiting until after the elections in Israel. Only the success of preventive operations lies between the slumber and the escalation."

II. "Deal With the Demography"

Conservative Jerusalem affairs commentator Nadav Shragai wrote in Ha'aretz (March 7): "The centerpiece of the policy prescription that Olmert is presenting is Palestinian demography and its effect on Israel's permanent borders. But the real questions are being swept under the rug.... Under what circumstances, in which areas and through what means should Israel try to alter the demographic balance in its favor?.... If Olmert is conceding areas in which he believes that the demographic battle is already lost, why is he not simultaneously fighting to cement the Jewish hold on areas where the demographic battle is not lost -- even if this means facing off against the United States? The freeze on building in area E1, between Ma'aleh Adumim and Jerusalem, is a prime example of this failure -- not to mention the weakness of spirit broadcast by Olmert's circle regarding continued Israeli sovereignty over all of Jerusalem, where everything, even the demographics, still depends on Israel rather than on others."

12. Iran: Nuclear Program:

Summary:

The conservative, independent Jerusalem Post editorialized: "It would be a shame if, having defeated Nazism and Communism, the West were to succumb to militant Islamism, not for lack of power to defeat it, but for lack of the will to do so."

Block Quotes:

"The Test From Iran"

The conservative, independent Jerusalem Post editorialized (March 7): "Today, once again, free nations are at a crossroads. Two alternative futures lie before us. Either Iran will be allowed to obtain a nuclear weapon, or that threat will be removed -- because the regime is gone or, like Libya, demonstrably gives up its nuclear and terror cards. The future that includes a nuclear Iran is a bleak one. Iran itself would be able to increase its support for terrorism with impunity. Arab nations would also seek nuclear weapons. The terror network, including al-Qaida, would be seen to be ascendant, and the countdown before nuclear weapons are employed in a terror attack will have begun. Terrorists, we must remember, do not depend on military strength but on overwhelming their enemies with a sense of despair and inevitability.... Despite its oil revenue, Iran is vulnerable to diplomatic and economic isolation by the West. The Security Council, however, would need -- to use [US Representative to the UN Ambassador John] Bolton's terms -- to act in a more 'timely' and 'serious' manner than it ever has in the past; but it is never too late to revive the UN Charter's vision of collective self-defense against international aggression. If the international community does act to defend itself, the result could be a world that is freer, more prosperous and more secure than it was before 9/11. This was the world that was envisioned after the Soviet Union collapsed, ending the Cold War and launching a wave of democratization. It would be a shame if, having defeated Nazism and Communism, the West were to succumb to militant Islamism, not for lack of power to defeat it, but for lack of the will to do so."

JONES